1987 SURVEY and INVENTORY of COMMERCIAL SPACE HALIFAX METROPOLITAN AREA

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Introduction

This is the thirteenth consecutive year that the Department of Development has conducted a telephone survey of building owners and leasing managers of commercial space in the Halifax Metropolitan Area. The survey covers virtually all major competitive buildings that were built for occupancy during the last twenty years. This coverage translates into 6.2 million sq. ft. of office space and 5.3 million sq. ft. of retail space which represents 70% and 58% respectively of the estimated total inventory. Wholesale/warehouse space surveyed amounted to 4.5 million sq. ft., however, since no inventory of industrial space exists, the degree of coverage is not known.

Given the 31.8% decline in new capital construction, estimated by Statistics Canada, in Nova Scotia's commercial sector over the past calendar year, it is not surprising to see only marginal increases in vacancy rates. In March, 1987, respondents to the survey reported that 832,086 sq. ft. of office space available for lease by year end 1986 was vacant for a vacancy factor of 13.5%, which was 1.7% above the 1986 rate. Two-thirds of this unoccupied space was situated within the Halifax Central Business District, resulting in a core vacancy of 13.3%. Vacancies in the Town of Bedford herald the most caution, with 60,000 sq. ft. of idle office space escalating the vacancy rate from 10.8% to 21.7% over the past year.

Vacancy rates in the retail sector have stabilized at the 3% level in the last three years, but this is expected to experience an about-face over the next twelve months as an anticipated 701,000 sq. ft. of new space augments the retail stock by year end. The impact will be largely offset by a higher than usual absorption level due to the degree of built-to-suit space that the new projects will bring on stream. The uncommitted speculative space leasing is expected to increase the vacancy rate to 5% or 6% by March 1988.

The fall in oil prices, resulting in a relative standstill in Metro's offshore activity, has triggered the vacating of space by offshore related companies, particularly notable in Metro's industrial parks that had catered somewhat to the offshore market. The Burnside Industrial Park, which is Atlantic Canada's major industrial centre, had a vacancy rate of 15.7% in March 1987, compared to an overall vacancy factor of 13.8% for Metro's warehousing and wholesaling space. Over three-quarters of a million sq. ft. of industrial space is expected to be sitting empty by next year, equating to a vacancy rate in the vicinity of 17% in March 1988.

Office Space

Inventory and Additions*

The major net addition to the office sector during 1986 was the restoration project of eight pre-Confederation buildings in the Halifax City core. This fifteen storey office tower known as Founders Square incorporates 190,000 sq. ft. of new construction and 40,000 sq. ft. of renewed space. The completion of the Canada Trust Building added an additional 51,659 sq. ft. of office floor space in the City's Central Business District (CBD). Office stock in the Town of Bedford increased by 62,500 sq. ft., primarily due to the opening of the Royal Bank Building and the Sun Tower. Mixed-use commercial developments in the Burnside Industrial Park, including Cambridge Gardens, and Belmont House afforded 120,000 sq. ft. of office space for Dartmouth City. All totalled, the March 1987 survey identified 456,359 sq. ft. of office space that came on stream during 1986. These additions, plus an estimated 10,000 sq. ft. in small projects that are not covered within the scope of the survey, places the estimated inventory of office space at December 31, 1986 at 8.8 million sq. ft.

ESTIMATED INVENTORY OF OFFICE SPACE
HALIFAX METROPOLITAN AREA

	Sq. Ft.
Inventory at 1964[1]	*2,645,328*
Additions — from surveys	
— prior to 1970	*775,904*
— 1970 — 1985	*4,920,355*
— 1986	*456,359*
— Small Projects	
— 1965 — 1985	*447,794*
— 1986	*10,000*
Less — Demolitions	
— 1965 — 1986	*440,000*
Inventory — December 31, 1986	*8,815,740*

[1]*Based on a study conducted in 1965 by Canadian Urban Economics Limited*

**See Appendix A for list of projects surveyed, showing size, year of completion and geographic location.*

Occupancy Levels

Halifax Metro's office sector experienced a net absorption of 307,960 sq. ft. during the past calendar year. This placed the vacancy rate at 13.5% in March 1987, compared to 11.8% in 1986. Of the 832,086 sq. ft. of space that was reported as vacant by respondents to the survey, two-thirds was within the CBD boundaries resulting in a core vacancy of 13.3%. Scattered vacancies in other areas of Halifax City were evident in a 10.7% vacancy factor. Ongoing leasing difficulties associated with a couple of office buildings in Dartmouth, coupled with new product vacancies were the main contributors to the City's 14.7% vacancy rate. The Town of Bedford, with about 60,000 sq. ft. of unoccupied space, flagged a 23.3% vacancy, which is not expected to return to its normal market vacancy rate until the space provided in new office buildings is absorbed. Unutilized 1986 office stock in the Sackville area amounted to under 10,000 sq. ft., largely found in retail/office commercial mix projects.

	Surveyed Space	March Vacancy Rate		
Location	**Sq. Ft.**	**1985**	**1986**	**1987**
Halifax City — Central Business District	*4,127,476*	*8.3%*	*12.4%*	*13.3%*
Other Areas of Halifax City	*879,379*	*9.4%*	*8.4%*	*10.7%*
Dartmouth City	*869,485*	*5.9%*	*13.2%*	*14.7%*
Bedford/Sackville Area	*276,278*	*8.7%*	*10.8%*	*21.7%*
Total — Halifax Metro	*6,152,618*	*8.2%*	*11.8%*	*13.5%*

The present climate of Metro's office market is such that vacancies reflect a mixed bag of events, including static long term vacancies, a tenants' shuffle, particularly notable in the highly competitive leasing market in downtown Halifax and leasing difficulties associated with new additions. Within the scope of this survey, only quantitative measures are available for the latter factor, in so much as 42.5% of the total vacant office space in Metro was found in buildings that were built for occupancy in 1985 and 1986.

The vacancy rate in premises under 10,000 sq. ft. dropped to 20.2% in March 1987, compared to 24.4% in 1986. This decline is indicative of the taking up of office space associated with larger commercial mix projects and hence does not provide a pure measure of the office leasing market. Vacancy rates in buildings in the 10,000 — 29,000 sq. ft. and 70,000 — 89,000 sq. ft. range remain relatively steady at 14.4% and 2.9% respectively. About a quarter of Metro's available office space is situated in buildings sporting over 200,000 sq. ft. These large markets with an escalating vacancy rate of 12.4% have been susceptible to vacancies caused by prime space additions in the Halifax CBD, over the last three years. Buildings classed within 30,000 — 69,000 sq. ft. and 160,000 — 199,000 sq. ft. exhibited the highest vacancy levels of 18.1% and 18.8% respectively. Projects between 90,000 and 159,000 sq. ft. showed a modest 10.4% vacancy.

The ninety-four commercial buildings included in this year's survey housed 6.2 million sq. ft. of office space, which represented 69.8% of the total inventory. The yearly surveyed additions to the office rental market, of which over two-thirds are situated in the Halifax CBD[1], are tabled below.

YEAR OF OCCUPANCY	SPACE ADDED (SQ. FT.)
Prior to 1970	*775,904*
1970	*261,291*
1971	*263,621*
1972	*194,280*
1973	*129,200*
1974	*113,576*
1975	*1,119,957*
1976	*602,424*
1977	*615,510*
1978	*82,125*
1979	*120,795*
1980	*18,958*
1981	*48,986*
1982	*83,895*
1983	*222,536*
1984	*276,000*
1985	*767,201*
1986	*456,359*
Total Surveyed Space	*6,152,618*

The completion of Founders Square, combined with previously identified first class office space, brings to twenty the number of larger office buildings with 80,000 sq. ft. or more and available for occupancy since the mid 1970's. Space available for lease in these prime space locations approximated 463,000 sq. ft. which translates into a vacancy rate of 13.8% in March 1987, in contrast to an 11.8% rate in 1986. First class space surveyed amounted to 3.4 million sq. ft., over half of which was housed in nine commercial projects built since 1977 in the Halifax CBD. This newer Class A space had a March vacancy rate of 17.8% compared to 17.2% in the previous year.

[1]*This survey's definition of the Halifax CBD, as given in the appendices, differs from that used by the City of Halifax.*

Size of Building (Sq. Ft.)	Total Surveyed Space (Sq. Ft.)	March Vacancy Rate 1985	1986	1987
Under 10,000	*58,688*	*16.0%*	*24.4%*	*20.2%*
10,000-29,000	*593,041*	*11.3%*	*14.4%*	*14.4%*
30,000-69,000	*1,074,646*	*14.4%*	*16.1%*	*18.1%*
70,000-89,000	*389,764*	*2.9%*	*2.2%*	*2.9%*
90,000-109,000	*676,075*	*17.6%*	*13.5%*	*10.4%*
110,000-159,000	*817,112*	*8.3%*	*9.6%*	*10.3%*
160,000-199,000	*910,123*	*2.4%*	*15.6%*	*18.8%*
200,000+	*1,633,169*	*2.6%*	*8.7%*	*12.4%*
Total Surveyed Space	*6,152,618*	*8.2%*	*11.8%*	*13.5%*

Surveyed results indicate the Metro office leasing market can offer 186,453 sq. ft. to tenants requiring space in the under 10,000 sq. ft. range. Space between 10,000 and 20,000 sq. ft. was identified in a dozen locations, with an overall vacancy of 168,653 sq. ft. Mid-size markets with more than 20,000 sq. ft. but less than 30,000 sq. ft. were identified in seven projects, affording a total of 165,984 sq. ft. Firms interested in locating in offices of 30,000 sq. ft. or more have a choice between five buildings with a combined vacancy of 310,996 sq. ft.

Absorption of office space in Metro remains strong, with 307,960 sq. ft. being leased in 1986. Based on the average annual absorption of 250,000 sq. ft. over the last five years, the surplus of office space revealed from this year's survey is not expected to be taken up until the Summer of 1990. Office absorption is highly concentrated in the Halifax CBD, which accounted for 192,000 sq. ft. or 62% of the occupancy of space in Metro during 1986.

The completion of Lake City Centre, a 115,000 sq. ft. office complex in Dartmouth, which houses the City's first convention facility, will be the major net addition to the office sector in 1987. The development of a portion of Halifax's waterfront properties known as Block M is presently underway, with completion of the 127,000 sq. ft. Cornwallis Place office complex scheduled for January 1988. The first of three commercial mix proposals on Spring Garden Road is expected to take form in Phase I of Park Lane Developments' 100,000 sq. ft. office project by late Summer 1988.

Given the modest level of construction foreseen for 1987 and an anticipated absorption of 250,000 sq. ft., it is not expected that the vacancy rate will fluctuate significantly from the present 13.5%. However, the Halifax CBD should see a drop in its vacancy level of 13% – a plausible absorption of 150,000 sq. ft. would place the rate at 11%, while a 250,000 sq. ft. consumption of space would see the vacancy rate break the 10% threshold. With the scheduled mid-1989 completion of Purdy's Wharf Phase II office tower of 365,000 sq. ft., the office leasing market will be about a year shy of a balance between supply and demand.

Rental Rates

The current cost of leasing office space in Halifax Metro ranged between $4.25 and $19.50 per sq. ft. net and averaged $11.60 per sq. ft., compared to $11.45 in 1986. Rental rates were quoted on a net basis with the tenant responsible for taxes, insurance and operating costs, while the landlord absorbs the costs associated with structural maintenance and management. For projects reporting taxes and operating expenses, the additional charges ranged between $2.26 and $7.86, for an average cost of $6.62 per sq. ft. Of the seventy-five projects surveyed, in which rental rates could be compared with 1986 levels, one-third experienced increases for an average hike of $1.31 per sq. ft. Rental rate decreases reported in fifteen buildings averaged $1.87 per sq. ft., while thirty-five lessors maintained rates at 1986 levels.

Metro's competitive office leasing market is underscored in the downtown core with the average charge dropping from $13.00 to $12.65 over the past year. This is only the tip of the iceberg, as reported rates do not reflect widespread lease-signing inducements that span the gamut from free rental periods, to turn-key occupancy or cash incentives. Tenants leasing in other areas of Halifax City are being charged between $5.50 and $17.85 per sq. ft., for an average of $11.47. Rates in Dartmouth City range between $4.25 and $15.50, resulting in Metro's lowest average charge for office accommodations of $10.15 per sq. ft. Bedford offices range from $10.00 to $16.00 per sq. ft. net with an average of $12.00.

Rental rates for first class office space, as defined by this survey, ranged from $15.00 to $17.85 per sq. ft. on a gross basis and $10.50 – $19.50 for less fully comprehensive leasing arrangements. The average gross rate comprising only three projects was $15.95, while the more popular net leases had an average rate of $14.20 per sq. ft.

The rental rate structure remained unchanged for most prime locations, while five office buildings averaged increases of $1.37 per sq. ft. and four experienced rate reductions averaging $1.62.

Retail Space

Inventory and Additions*

Redevelopment and upgrading of space in three of Metro's retail locations brought a total of 70,000 sq. ft. of additional space on the market in 1986. Atlantic Canada's oldest shopping centre, Bayers Road, is undergoing a $20 million expansion which added 20,000 sq. ft. to one of the centre's main anchor stores in 1986, to be supplemented by another 30,000 sq. ft. in new construction in 1987. The Downsview Mall in Sackville and the Mill Cove Off-Price Centre in Bedford also underwent expansions during the past year. Major new additions to the retail sector took shape in the 35,000 sq. ft. retail portion of Founders Square and the 50,000 sq. ft. Rockingham Ridge Shopping Centre. In total 179,278 sq. ft. of retail space was injected into the market over the past year. Considering this net addition, and the undercoverage inherent within the scope of the survey, the inventory of retail space at the end of 1986 was 9.2 million sq. ft. Retail space covered by the survey approximated 58% of this estimated inventory.

ESTIMATED INVENTORY OF RETAIL SPACE
HALIFAX METROPOLITAN AREA

	Sq. Ft.
Inventory at 1965	*3,041,100*
Additions – from surveys	
– prior to 1970	*1,463,954*
– 1970-1985	*3,674,357*
– 1986	*179,278*
– small projects	
– 1966-1985	*815,550*
– 1986	*50,000*
Inventory – December 31, 1986	*9,224,239*

*Based on a study conducted in 1965 by Canadian Urban Economics Limited.

**See Appendix B for list of projects surveyed, showing size, year of completion and geographic location.*

Since 1982, an annual average of 222,694 sq. ft. has been added to the retail stock. The following table denotes yearly additions to the survey.

Year of Occupancy	**Space Added (Sq. Ft.)**
Prior to 1970	*1,463,954*
1970	*313,521*
1971	–
1972	–
1973	*270,000*
1974	*721,299*
1975	*188,435*
1976	*103,822*
1977	*222,774*
1978	*269,000*
1979	*325,224*
1980	*106,089*
1981	*220,000*
1982	*299,704*
1983	*326,900*
1984	*251,389*
1985	*56,200*
1986	*179,278*
Total Surveyed Space	*5,317,589*

A third of the retail floor space in Metro is situated in Dartmouth City. About 3.6 million sq. ft. of store space is concentrated in this City and in peripheral areas of Halifax City. Surveyed space outside the two cities reached a million sq. ft. for year end 1986 and accounted for 18.9% of Metro's retailing area. This market share is expected to increase to 22% in 1987, given the level of retail construction in outlying areas of Halifax Metro.

Over three-quarters of the retail space surveyed in Metro is situated in sixteen shopping malls of more than 100,000 sq. ft., having a total area of 4.1 million sq. ft.

Occupancy Levels

The vacancy rate of retail space in Metro maintained a healthy level of 3.1% in March 1987, compared to 2.5% in 1986. About two-thirds of the 164,644 sq. ft. of vacant space in Metro is located in Halifax City, with a vacancy rate of 6.6% in the Halifax CBD and 3.4% outside the City's downtown shopping district. Dartmouth City and the Town of Bedford boast the lowest rates of 1.5% and 1.9% respectively. The majority of the vacant space in the outskirts of Metro is found in the Sackville area where vacancies were clocked at 4.5%. Generally speaking, Metro's sixteen regional shopping malls enjoy high occupancy levels with only 93,052 sq. ft. available for lease, equating to a 2.2% vacancy rate.

	Surveyed Space	March Vacancy Rate		
Location	**Sq. Ft.**	**1985**	**1986**	**1987**
Halifax City-Central Business District	*656,888*	*9.3%*	*6.4%*	*6.6%*
Other Areas of Halifax City	*1,904,005*	*1.5%*	*2.0%*	*3.4%*
Dartmouth City	*1,751,200*	*2.6%*	*1.9%*	*1.5%*
Bedford/Sackville Area and Other Areas of Halifax Metro	*1,005,496*	*4.5%*	*2.0%*	*3.0%*
Total – Halifax Metro	*5,317,589*	*3.4%*	*2.5%*	*3.1%*

Retail absorption amounted to approximately 143,000 sq. ft. in 1986, which, when averaged with the previous four years, places annual absorption at 197,000 sq. ft. The first wave in the retail construction boom in Metro was expected to occur in 1986. However, due mainly to the opening delays associated with the 154,000 sq. ft. Colby Village Shopping Centre, the current level of retail activity will not be realized until an anticipated 701,000 sq. ft. is added to the retail stock in 1987. Construction of two "superstores" by Atlantic Wholesalers Ltd. in Lower Sackville and Dartmouth will be a main contributor to this record addition to space in coming years. The vacancy level by year end 1987 is not expected to skyrocket as a result of this impending growth in the retail sector. The new space will largely accommodate pre-committed space for retailers, resulting in an absorption level between 500,000 and 550,000 sq. ft. in 1987, resulting in a vacancy rate of 5 or 6%.

Rental Rates

Over the past year, rental rates for retail space in Halifax Metro were reported to have increased an average of $2.28 per sq. ft. in about half of the surveyed projects. There were twelve instances of unchanged rental rates, while decreases cited for five locations averaged $1.70 per sq. ft.

In March 1987, retailers in the downtown shopping district were charged between $10 and $30 per sq. ft., for an average lease arrangement of $17.70 per sq. ft. compared to $15.80 in 1986. Due to the withholding of rental rate information by one of Metro's major retail lessors outside the Halifax CBD, comparison of the rate structure for other areas of Metro is somewhat restricted. For those rates that were provided, the range was $8.00 to $25.00 per sq. ft. in the incorporated centres, averaging $16.20 in peripheral Halifax and $13.05 in Dartmouth City. Rental rates in other areas of Halifax Metro started at $10.00 per sq. ft., climbing to a reported high of $50.00 which has perhaps overstated the average at $18.07 per sq. ft. Assuming that rental rates had remained unchanged from March 1986, in the foremention uncoverage of this survey, the average rate for Halifax City outside the CBD and Dartmouth City would be $2.20 and $1.00 per sq. ft. higher than averages given. Rental rates ranged between $8.00 and $50.00 per sq. ft. in Metro's regional shopping malls, for an average of $19.05 and are subject to the same incompleteness in the scope of the survey.

Wholesale/Warehouse Space

Survey Coverage*

Wholesale/warehouse space built for tenancy in 1986 and covered in this year's survey, amounted to 312,000 sq. ft. increasing survey coverage for the industrial sector to 4.5 million sq. ft. The Burnside Industrial Park is Atlantic Canada's warehousing and distribution hub and accounts for 82 percent of the surveyed space, outlined below.

Year of Occupancy	Spaced Added (Sq. Ft.)
Prior to 1970	*468,676*
1970	*160,281*
1971	*79,240*
1972	*300,161*
1973	*111,582*
1974	*422,112*
1975	*396,861*
1976	*355,181*
1977	*63,520*
1978	*155,000*
1979	*317,484*
1980	*141,436*
1981	*244,422*
1982	*167,621*
1983	*186,540*
1984	*398,800*
1985	*205,670*
1986	*311,596*
Total Space Surveyed	*4,486,183*

** See Appendix C for list of projects surveyed, showing size, year of completion and geogaphic location.*

The effect of the offshore decline has had the greatest impact on occupancy of industrial space in Burnside and other industrial parks. The space vacated by offshore businesses has largely been taken up by sales orientated companies, to the degree that sales and services now represents over half of the businesses in the Burnside Industrial Park. Warehousing and distribution comprises the middle tier of activity, while manufacturing has shifted to third place.

The infrastructure being added to Burnside, including the completion of Burnside Drive, has fostered the development of the newest section of the industrial park, known as the City of Lakes Business Park. The business park's first multi-use complex, Cambridge Gardens, was completed in 1986. The project totals 220,000 sq. ft. providing a mix of warehouse and retail/office space.

The success of industrial parks in attracting companies to take up residence or relocate was the incentive behind Halifax City's establishment of the Halifax Industrial Park in 1984. The Halifax Industrial Commission has successfully negotiated with the Nova Scotia Liquor Commission, Volvo Canada and Motorola of Canada to set up operations in the park which is situated on the southwestern outskirts of the city. Phase I of Prospect Court affording 36,000 sq. ft. of industrial space is the first rental building to be completed in the park. An additional 108,000 sq. ft. of rentable space in the Halifax Industrial Park is expected to come on stream during 1987.

The new plant announcements by two aerospace high-tech companies including Litton Systems Canada Limited and Pratt and Whitney Canada Inc. has resulted in a high profile start for the Halifax County Aerotech Business Park. Transmetro Properties Limited has undertaken the first development of a multi-tenant nature in Phase I of Aerotech Park, affording 50,000 sq. ft. of space. This building will be introduced on the rental market in 1987, with an additional 250,000 sq. ft. planned for later.

The Town of Bedford and Sackville has also climbed on the bandwagon to capture a share of the increasing demand for industrial space. Overall additions to Metro's industrial sector this year are expected to overshadow 1986 activity with over 425,000 sq. ft. scheduled for completion by year-end 1987.

Occupancy Levels

In March 1987, unoccupied or unleased wholesale/warehouse space in Halifax Metro stood at 617,242 sq. ft., resulting in a vacancy rate of 13.8% compared to 11.7% in 1986. Speculative construction during 1986 has leased relatively well with only 45,500 sq. ft., spread out among varied projects left to lease. The industrial space sector has been the hardest hit by the economic slowdown of the early 1980's, flagged by the impending decline in offshore activity. There has been an exodus of offshore related companies from the Burnside Industrial Park, as well as the Woodside Ocean Industries Park. This survey identified three buildings that were completely vacant in Burnside and that together accounted for over one-third of the unoccupied industrial space in Metro. The decreased demand for space suited for offshore suppliers of goods and services, coupled with the oversupply of this type of space, has resulted in a double-digit vacancy of 15.7% in Burnside.

Long term leasing delays are not foreseen for Metro's newer industrial parks which are geared for a different market and are not relying on any offshore breakthrough as their impetus for success.

	Surveyed Space	March Vacancy Rate		
Location	**Sq. Ft.**	**1985**	**1986**	**1987**
Halifax City	*596,449*	*3.0%*	*7.6%*	*4.2%*
Dartmouth City	*3,692,734*	*5.1%*	*13.0%*	*15.6%*
Other Areas of Halifax Metro	*197,000*	*2.3%*	*3.1%*	*7.8%*
Total — Halifax Metro	*4,486,183*	*4.6%*	*11.7%*	*13.8%*

Over half of the ninety-seven projects surveyed had space available for lease. Leasing of space in buildings of 110,000 sq. ft. or more, over the past year, has reduced the vacancy rate in these sized premises to 21.0%. However, an over supply of heavy industrial space exists in the Burnside Industrial Park and additional relief in the taking up of space in these larger buildings is not expected in the near future. For buildings under 110,000 sq. ft., there was a dozen projects with space for lease in excess of 10,000 sq. ft. The remaining projects had flexible tenant sizes available, totalling 205,000 sq. ft. and representing one-third of the overall vacancies in Metro.

Size of Building (Sq. Ft.)	Total Surveyed Space (Sq. Ft.)	March Vacancy Rate 1986	1987
Under 10,000	*57,974*	*20.1%*	*16.4%*
10,000-29,000	*578,594*	*6.3%*	*15.8%*
30,000-49,000	*1,158,848*	*4.5%*	*12.2%*
50,000-69,000	*955,461*	*14.9%*	*14.2%*
70,000-89,000	*394,926*	*8.8%*	*7.8%*
90,000-109,000	*479,129*	*1.3%*	*5.8%*
110,000+	*861,251*	*30.4%*	*21.0%*
Total Surveyed Space	*4,486,183*	*11.7%*	*13.8%*

The absorption of industrial space amounted to 205,000 sq. ft. over the past year, while the average annual absorption was 190,600 sq. ft. for the 1982-1986 period. Additions in 1987 are in the order of 426,800 sq. ft., as suggested by this year's survey, and absorption in the vicinity of 200,000 sq. ft. would increase the amount of vacant space to 844,000 sq. ft., translating into a 17% vacancy rate by March 1988.

Rental Rates

Metro's industrial tenants are being charged between $2.50 and $9.00 per sq. ft., for an average rate of $4.85 per sq. ft. net, compared to $4.80 in March 1986. Occupants of wholesale/warehouse space in the Burnside Industrial Park have leases predominantly in the $3.50 to $6.50 per sq. ft. range, placing the average net rate at $4.90. Leasehold properties in Halifax City have asking rates between $3.00 and $6.00 per sq. ft., for an average of $4.65 net. In Bedford/Sackville and other areas of Halifax Metro rents start at $3.50 per sq. ft. climbing to $6.50, for an average rental rate of $5.20 net.

Fifty-three rental properties had no reported increases in rates charged over the past year. An average increase of $1.07 per sq. ft. was stated for the fifteen buildings in which there was a rental hike; while thirteen rates quoted showed decreases, averaging $1.25 per sq. ft.

Appendices

APPENDIX A
OFFICE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)[1]	Year of Completion	Area Code*
Lord Nelson Arcade	75,564	1958/64	A
1190 Barrington St. — Halifax	36,000	1960	A
1646 Barrington St. — Halifax	36,000	1961	A
Artillery Place	7,477	1962	A
1 Sackville Place	34,162	1964	A
Centennial Building — Original	79,000	1964	A
— Addition	80,000	1975	A
K-Mart Plaza	22,000	1964/69/76	C
Bayers Road Shopping Centre	45,000	(2)	B
6100 Young Street	10,000	1965	B
Willow Tree Tower	46,400	1965	B
Marcil Trust — 5670 Spring Garden Rd.	78,100	1965	A
Royal Bank Building — Dartmouth	100,000	1965/71	C
S. Jachimowicz — 137 Main St.	3,800	1966	C
— 157 Main St.	3,600	1966	C
— 155 Main St.	2,200	1973	C
— 73 Tacoma Dr.	34,943	1974	C
— 25 Crystal Dr.	4,000	1976	C
Wyse Road Shopping Centre	2,500	1967	C
Royal Bank Building — Halifax	132,663	1968	A
Trade Mart — Scotia Square — Offices	60,638	1969	A
Sunnyside Mall	20,000	1969	D
D. & M. Office Building — Rotary	15,000	1969 & 1974	B
Duke St. Tower — Scotia Square	211,291	1970	A
Halifax Professional Centre	96,000	1970 & 1975	B
Barrington Tower — Scotia Square	172,582	1971	A
Hollis Building	91,039	1971	A
Bank of Montreal Tower — Halifax	167,280	1972	A
Nova Scotia Credit Union Building	28,000	1972/78	B
Bedford Tower	54,000	1973	D
Metro One — 6061 Young St.	73,000	1973	B
ABCO Centre — Howe Ave.	28,800	1974	B
Downsview Mall — Sobey's Plaza	32,000	1974	D

APPENDIX A (CONTINUED)
OFFICE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)[1]	Year of Completion	Area Code*
Woodlawn Mall & Shopping Centre	2,833	1974	C
Spryfield Town Centre — Original	5,000	1974	B
— Addition	15,000	1982	B
Barrington Commercial Centre	10,559	1975	B
Townsend Place	24,554	1975	C
Constat Investments — 1568 Hollis St.	20,000	1975	A
Homburg International — 2 Morris St.	13,400	1975	C
Queen Square — Dartmouth	216,000	1975	C
1888 Brunswick St.	83,000	1975	A
West End Mall	67,228	1975	B
Cogswell Tower — Scotia Square	189,944	1975	A
Garrison Place	33,000	1975	A
Professional Centre — Coburg & Oxford	24,000	1975	B
Historic Properties	228,878	1975/76/78	A
Joseph Howe Building	114,210	1975	A
Professional Centre — Pleasant St.	80,100'	1975 & 1976	C
Halifax Shopping Centre — Original	83,184	1975	B
— Addition	45,816	1979	B
Terminal Road Building — Halifax	152,085	1976	A
Hardman Group — Burnside — 11 Morris Drive	22,785	1976	C
Sunnyside Place	30,000	1976	D
Young St. Tower	130,154	1976	B
Continental Bank Building	12,000	1976	A
Windmill Place — Phase I — 1,000 Windmill Rd.	49,300	1976	C
— Phase II — 900 Windmill Rd.	27,750	1979	C
Toronto Dominion Centre	96,000	1977	A
Bank of Commerce Building	196,732	1977	A
Atlantic Acres Business Centre	7,500	1977/80	D
— Addition	4,500	1986	D
Sackville Town Centre	5,778	1977	D
Barrington Place	3,500	1980	A
Maritime Centre — Original	312,000	1977	A
— Addition	175,000	1984	A

APPENDIX A (CONTINUED)
OFFICE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)'	Year of Completion	Area Code*
Merrill Lynch Building	*14,125*	*1978*	*A*
Bedford Place Shopping Centre	*23,000*	*1978/80*	*D*
Westphal Mall – Sobey's Plaza	*12,500*	*1979*	*C*
B. D. Stevens Ltd. – 21 Topple Dr.	*30,000*	*late 1970's*	*C*
Quinpool Centre – Original	*18,729*	*1979*	*B*
– Addition	*16,271*	*1982*	*B*
Eastland Centre	*12,958*	*1980*	*B*
Sun Life Assurance Company – Young Street Centre	*16,000*	*1979*	*B*
Centennial Properties – 3700 Kempt Rd.	*20,000*	*1980's*	*B*
Scotia Square – Plaza 1881	*28,986*	*1981*	*A*
Pat King Plaza – 171 Main St.	*10,744*	*1982*	*C*
Stonehedge Development Ltd.			
– Clinton Office Bldg. – 2651 Dutch Village Rd.	*29,880*	*1982*	*B*
– Foundry Building – 958 Barrington St.	*12,000*	*1982*	*B*
Canterbury Investments Ltd.			
– North American Life Centre	*103,036*	*1983*	*A*
– One Government Place	*52,440*	*1985*	*A*
1668 Barrington St.	*29,500*	*1983*	*A*
The Brewery – Phase I	*90,000*	*1983*	*A*
– Phase II	*100,000*	*...*	*A*
Seacoast Towers	*1,000*	*1984*	*C*
World Trade and Convention Centre	*100,000*	*1984*	*A*
Bedford Professional Centre	*19,300*	*1985*	*D*
Central Trust Building	*183,585*	*1985*	*A*
The Torrington	*37,000*	*1985*	*C*
Dartmouth Medical Centre	*48,476*	*1985*	*C*
Renaissance South	*25,000*	*1985*	*A*
Halifax Medical Centre	*45,000*	*1985*	*A*
Gladstone Professional Centre	*30,400*	*1985*	*B*
J. W. Lindsay Enterprises – Twin Office Towers at			
Purdy's Wharf – Phase I – Purdy's Wharf Tower	*290,000*	*1985*	*A*
– Xerox Building	*36,000*	*1985*	*A*
– Phase II	*365,000*	*1989*	*A*

APPENDIX A (CONTINUED)
OFFICE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)[1]	Year of Completion	Area Code*
Belmont House — 33 Alderney Drive	60,000	1986	C
Sonco Property Development — Canada Trust Building — 1718 Argyle St.	51,659	1986	A
Governor's Place — 26 Union St.	20,000	1987	D
Sun Tower — Bedford Highway	28,000	1986	D
Cambridge Gardens — 202 Brownlow Dr.	60,000	1986	C
Armour Group — Founders Square	200,000	1986	A
Royal Bank Building — Bedford	30,000	1986	D
Sackville Industrial Park — Park Business Centre	22,200	1986	D
Bayswater Place — 1160 Bedford Highway	20,000	1987	D
Cambridge House	31,000[2]	1987	A
1580 Barrington St. — Redevelopment of City Club and Bean Sprout Buildings	42,000[2]	1987	A
1819 Granville St.	124,904	1987	A
Lake City Centre — Wyse Rd.	115,000	1987	C
Cornwallis Place	127,131[3]	1988	A
Spring Garden Place — Phase II	10,000	1988	A
Park Lane — Spring Garden Rd. — Phase I	100,000	1988	A
— Phase II	115,000	...	A
Ryco Realty Ltd. — Birmingham and Dresden Row Office Towers	110,000	...	A

[1] *Floor space occupied by banks is included wherever applicable and possible*

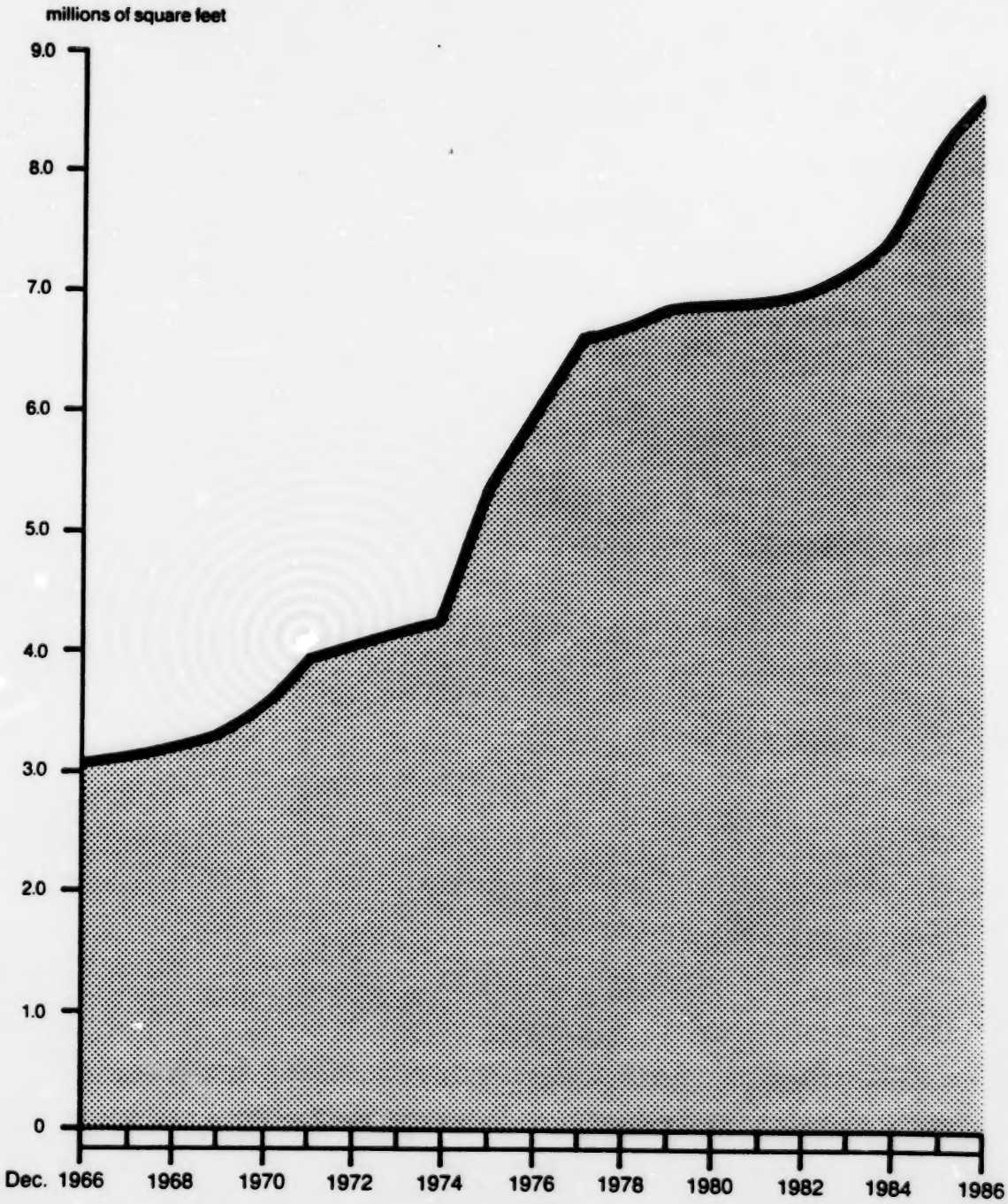
[2] *Constructed over a period of years*

[3] *Includes some retail space*

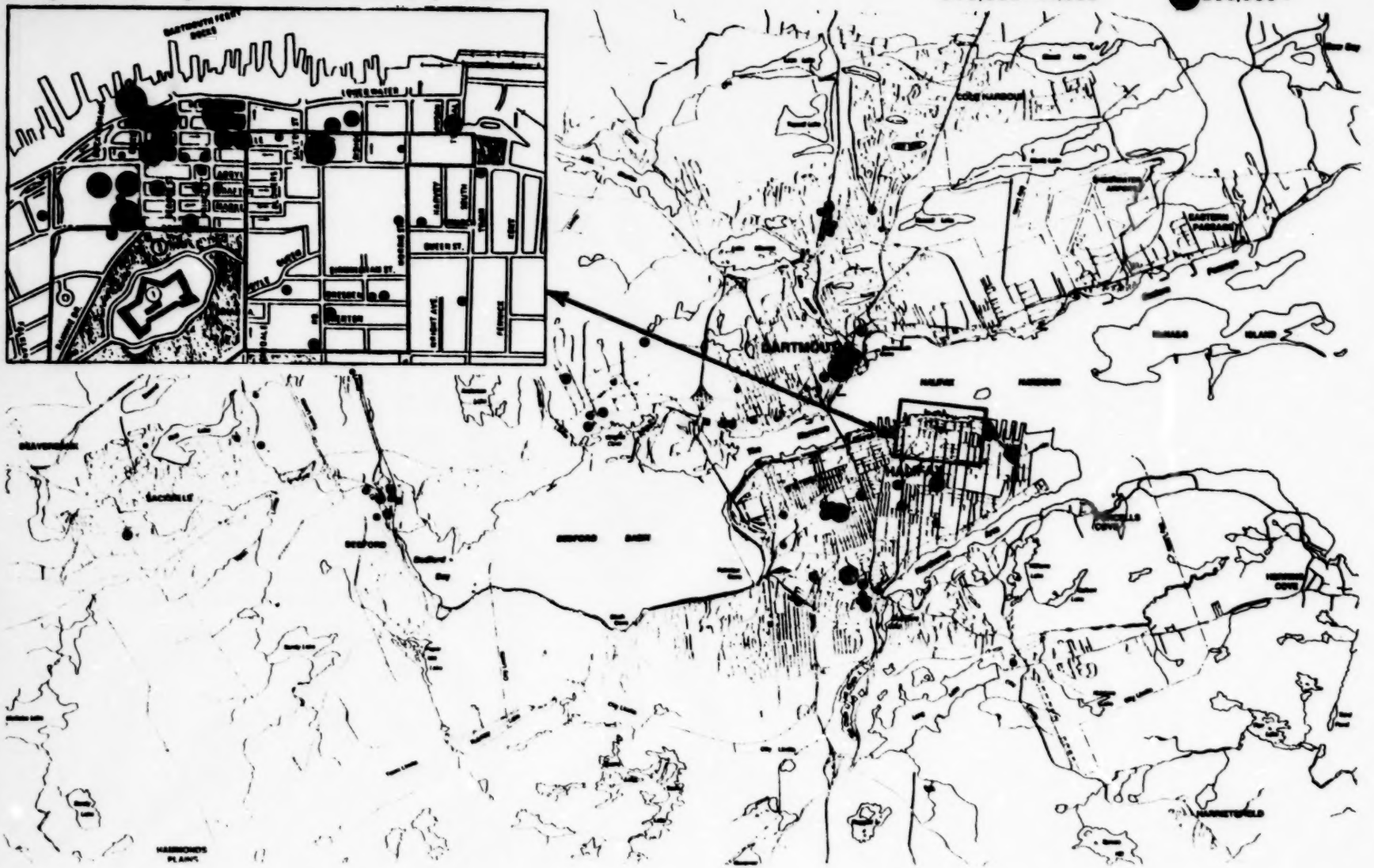
... No completion date available. Still in preliminary stages of development.

**Geographic Codes* — *A — Halifax City Central Business District*
(Bounded by Portland, Cogswell, North Park and Inglis St. and the Harbour)
B — Other Areas of Halifax City
C — Dartmouth City
D — Bedford/Sackville Area and Other Areas of Halifax Metro.

Office Space
Inventory and Additions 1966-1986



Location & Size of Office Projects Surveyed — December 31, 1986



APPENDIX B
RETAIL PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Lord Nelson Arcade	14,436	1958	A
Dartmouth Shopping Centre — Original	106,800	1975	C
— Addition	23,000	1984	C
Halifax Shopping Centre — Original	390,000	1960	B
— Addition	50,000	1979	B
Bayers Road Shopping Centre — Original	385,053	(1)	B
— Conversion	9,947	1984	B
— Expansion of Zellars	20,000	1986	B
— New Construction	30,000	1987	B
6100 Young Street	42,000	1965	B
Shannon Plaza	33,000	1965	C
K-Mart Plaza	192,837	1964/69/76/85	C
Wyse Road — Sobey's Plaza	30,500	1967	C
Queen Street — Sobey's Plaza — Original	24,000	1967	A
— Addition	6,000	1983	A
Woodside — Sobey's Plaza	30,000	1968	C
Clayton Park — Sobey's Plaza	29,000	1968	B
Westphal Mall — Sobey's Plaza	83,128	1969	C
Primrose Street — Sobey's Plaza	33,000	1969	C
Sunnyside Mall	180,000	1969	D
Scotia Square Mall	304,521	1970	A
Imbrook Properties — 135 Wyse Road	10,082	mid 1970's	C
MicMac Mall — Original	270,000	1973	C
— Addition	45,000	1978	C
— Addition	220,000	1981	C
— Conversion	500	1984	C
— Proposed Addition	250,000	...	C
Downsview Mall — Sobey's Plaza — Original	226,000	1974	D
— Addition	20,000	1986	D
Woodlawn Mall & Shopping Centre	102,659	1974	C
Penhorn Mall — Original	265,000	1974	C
— Addition	195,000	1982	C
— Proposed Addition	70,000	1987	C

APPENDIX B (CONTINUED)
RETAIL PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Spryfield Town Centre — Original	127,640	1974	B
— Addition	93,960	1982	B
Professional Centre — Pleasant Street	9,900	1975/76	C
Historic Properties	55,000	1975/76/78	A
West End Mall — Original	71,553	1975	B
— Addition	7,000	1983	B
Sackville Commercial Centre	37,000	1967/76	D
S. Jachimowicz — 95 Caledonia Rd.	9,000	1970	C
— 25 Crystal Dr.	3,000	1976	C
Villa Plaza — Sackville	14,922	1976	D
Windmill Place — Phase I — 1,000 Windmill Rd.	10,000	1976	C
— Phase II — 900 Windmill Rd.	9,250	1979	C
Sackville Town Centre	111,074	1977	D
Toronto-Dominion Building (including bank)	10,000	1977	A
Maritime Centre	72,700	1977	A
Lake City Plaza	29,000	1977	C
Barrington Place	47,089	1980	A
Bedford Place Shopping Centre — Original	237,000	1978 & 1980	D
— Proposed Expansion	100,000	...	D
Quinpool Centre — Original	161,689	1979	B
— Addition	5,278	1986	B
Sun Life Assurance Company — Young St. Centre	24,285	1979	B
Garden Park Apartments	15,000	1979	B
Clayton Park Shopping Centre — Original	65,000	1979	B
— Addition	20,000	1984	B
Sussex Leaseholds — 169 Main St.	12,000	1980	C
Eastland Centre	10,000	1980	B
Pat King Plaza — 171 Main St.	10,744	1982	C
The Bay — Chebucto Road	150,000	1983	B
The Brewery — Phase I	40,000	1983	A
Simpsons Sears — Catalogue Shopping Centre	56,900	1983	B
— Retail Store	110,000	1984	B

APPENDIX B (CONTINUED)
RETAIL PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Mill Cove Off-Price Centre — Original	67,000	1983	D
— Expansion	30,000	1986	D
Seacoast Towers — Portland St.	4,800	1984	C
Cole Harbour Shopping Centre — Phase I	50,000	1984	D
— Phase II	20,000	1987	D
Spring Garden Place — Phase I	33,142	1984	A
— Phase II	20-30,000	1988	A
Dartmouth Medical Centre	9,000	1985	C
Oakland Plaza	17,500	1985	D
Halifax Medical Centre	15,000	1985	A
Gladstone Professional Centre	9,700	1985	B
Kingsway Court — Strip Mall — Sackville	15,000	1986	D
Belmont House — 33 Alderney Dr.	4,000	1986	C
Armour Group — Founders Square	35,000	1986	A
Rockingham Ridge Shopping Centre	50,000±	1986	B
Colby Village Shopping Centre	154,000±	1987	D
Colby Plaza	10,000	1987	D
Wyse Road Auto Plaza	10,000	1987	C
Real Atlantic Superstore — Lower Sackville	120,000	1987	D
— Dartmouth	180,000	1987	C
Merchants' Mart	25,000	1987	D
Vantage Point Plaza — Phase I	25,000±	1987	B
— Phase 2	30,000±	1988	B
— Phase 3	25,000±	1988	B
Village Centre (corner of Bedford Highway and Hammonds Plains Rd.)	22,000	1987	B
Lake City Centre — Wyse Rd.	15,000	1987	C
Cranberry Square	20,000	1987	D
Park Lane — Spring Garden Rd. — Phase I	120,000	1988	A
CN Real Estate — Kempt Road	135,000	1988	B
Hubley Centre — Commercial Development	40,000	1988	D

APPENDIX B (CONTINUED)
RETAIL PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Ryco Realty Ltd. — Towers on Birmingham Street and Dresden Row	57,000	...	A
Rocca Group — Shopping Centre on corner of Bicentennial Dr. and Kearney Lake Rd.	130,000	...	B

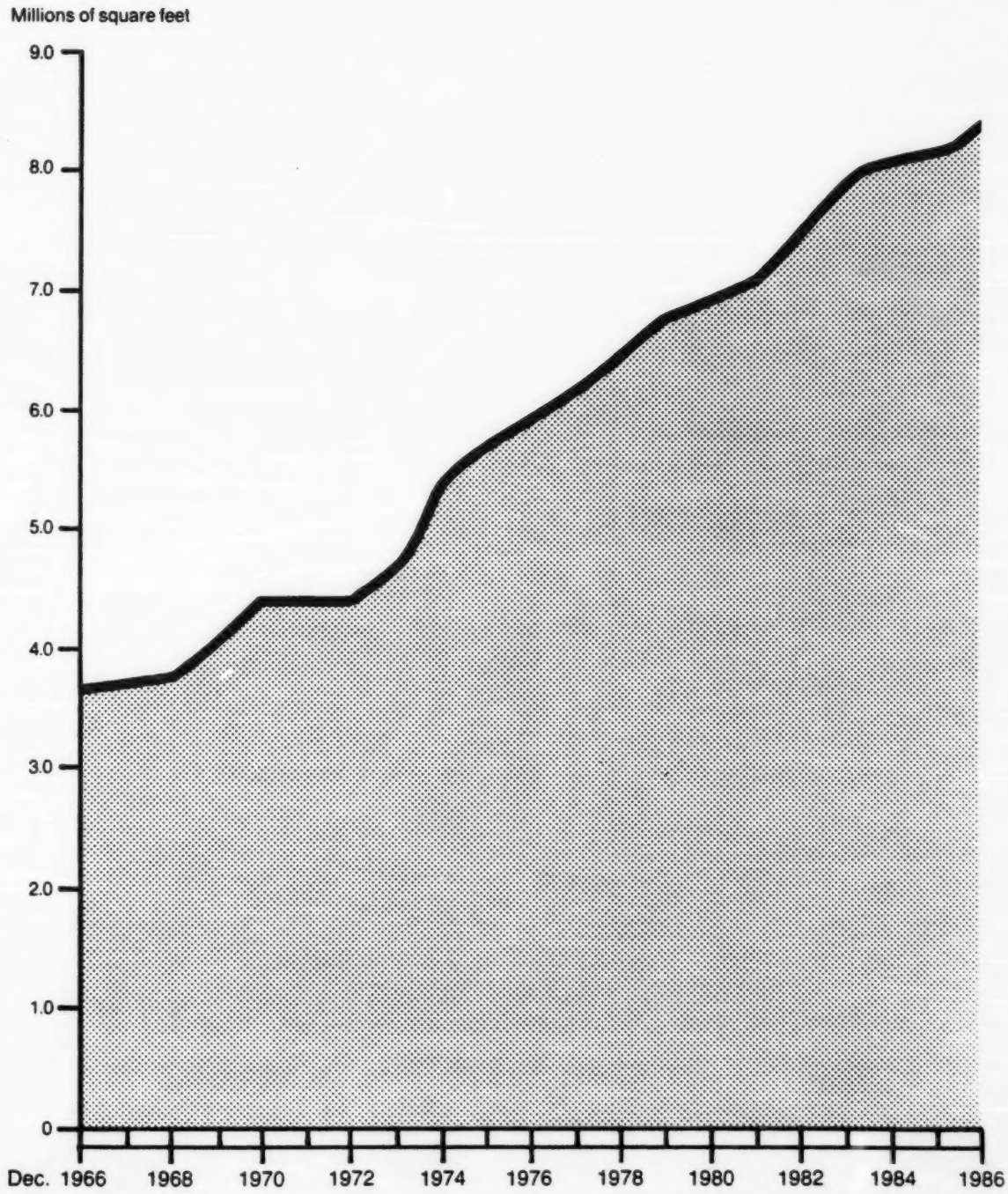
[1]Construction over a period of years

[2]Includes some office

... No completion date available. Still in preliminary stages of development.

*Geographic Codes — A — Halifax City Central Business District
(Bounded by Portland, Cogswell, North Park and Inglis St. and the Harbour)
B — Other Areas of Halifax City
C — Dartmouth City
D — Bedford/Sackville Area and Other Areas of Halifax Metro.

Retail Space
Inventory and Additions 1966-1986



Location & Size of Retail Projects Surveyed — December 31, 1986

APPENDIX C
WHOLESALE/WAREHOUSE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Halifax Commercial Leaseholds			
— 20-30 Gurholt Dr.	49,960	1973	B
— Strawberry Hill — Building 1	94,000	1960's	A
— Building 2	17,500	1960's	A
— Building 3	34,000	1960's	A
— Building 4	24,000	1960's	A
— Building 5	38,000	1960's	A
— Building 6	27,000'	1960's	A
— 27 Fielding Avenue	43,000	1971	B
— Lindsay Ruston Building	13,000'	1972	A
— Bayne Street	43,000	1974	A
— 28 Topple Drive — Original	153,000	1976	B
— Addition	50,000	1984	B
— 81 Thornhill Drive	52,000	1982	B
— 101 Ilsley Avenue	46,800'	1984	B
— 81 Ilsley Avenue	46,800	1985	B
— 71 Ilsley Avenue	46,800	1987	B
B.D. Stevens Ltd.			
— 21 Topple Dr.	155,000	late 1970's	B
6100 Young Street	8,000	1965	A
Shannon Plaza	29,000'	1965	B
Marathon Realty Co.			
— Burnside — 44-46 Borden Avenue	34,500	1970	B
— 3-7 Moore Road	30,240	1970	B
— 20-30 Borden Avenue	36,240	1971	B
— 20-24 Akerley Boulevard	52,176	1972	B
— 19-29 Gurholt Drive	61,659	1972	B
— 12-26 Borden Avenue	60,810	1974	B
— 39-41 Gurholt Drive	38,219'	1974	B
— 1 Gurholt Drive	45,140	1975	B
— 1 Moore Road	6,000	1975	B
— 45-53 Fielding Avenue	46,506	1976	B

APPENDIX C (CONTINUED)
WHOLESALE/WAREHOUSE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Scotia Square — Trade Mart	161,176	1969	A
J. Zatzman — 11 McCurdy Drive	24,000	1970	B
Bedford Trade Mart — Phase 1	32,000'	1972	C
— Phase 2	9,000	1986	C
— Phase 3	10,000	1987	C
Sunlife Assurance Company			
— Lakeside Industrial Park	66,000'	1974	C
— 170 Joseph Zatzman Drive - Sussex Place	63,520	1977	B
— 10 Vidito Drive	63,000	1979	B
— 71 Thornhill Drive	100,000	1981	B
— 24 Simmonds Drive	25,783	1983	B
Imbrook Properties			
— 10 Ilsley Avenue	43,110'	1974	B
— 191 J. Zatzman Drive	86,250	1975	B
— 196 J. Zatzman Drive	19,276'	1976	B
— 192 J. Zatzman Drive	27,360'	1979	B
Barrington Commercial Centre	31,676	1975	A
General Realty			
— 11 Pettipas Drive	26,000'	1970	B
— 19 Pettipas Drive	25,700'	1970's	B
Burnside Realty			
— 10 Wright Avenue	20,000	1970's	B
— 10 Akerley Boulevard — Building 1	21,750	1972	B
— Building 2	42,600	1972	B
— Building 3	48,800	1974	B
— Building 4	21,200	1975	B
— Townsend Place — 800 Windmill Road	45,867	1974	B
— 140 J. Zatzman Drive	40,000	1976	B
— 9 Pettipas Drive	16,500'	1979	B
— 25 Mosher Drive	9,600	1979	B
— 43 & 45 Borden Avenue	36,000	1960's	B

APPENDIX C (CONTINUED)
WHOLESALE/WAREHOUSE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Homburg International			
— 90 Bluewater Road	15,000	1975	C
— 2 Morris Drive	93,600	1975	B
— 5 Isnor Drive	10,312'	1979	B
— 131 & 139 Thornhill Drive	113,000	1984	B
— 141 Thornhill Drive	16,000	1986	B
Kaizer Group Ltd.			
— 550 Windmill Road	19,841'	1970	B
— 552 Windmill Road	17,625'	1975	B
— 552A Windmill Road	6,674'	1976	B
Marcil Trust			
— 55 Akerley Boulevard	80,370	1975	B
— 49 Pettipas Drive	31,540'	1979	B
— Brighton Gardens — 30 Simmonds Drive	37,240	1980	B
— 95 Akerley Boulevard	37,440	1980	B
— 105 Akerley Boulevard	54,436	1980	B
— 75 Akerley Boulevard	95,772	1981	B
— 10 Thornhill Drive	28,650	1981	B
— 121 Ilsley Avenue	95,757'	1983	B
— 81 Wright Avenue	37,370	1985	B
— 61 Raddall Avenue	58,296	1986	B
Hardman Group - Burnside			
— 58 Mosher Drive	56,976	1972	B
— 33 Mosher Drive	55,622	1973	B
— 100 Wright Avenue	76,306	1974	B
— 11 Morris Drive	66,345	1976	B
— 10 Morris Drive	119,075'	1979	B
— 101 Thornhill Drive	61,621'	1982	B
Windmill Place			
— Phase I — 1,000 Windmill Road	2,700	1976	B
— Phase II — 900 Windmill Road	13,000	1979	B
Quinpool Centre	27,097	1979	A

APPENDIX C (CONTINUED)
WHOLESALE/WAREHOUSE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Atlantic Acres Business Centre	30,000'	1976/80	C
Centennial Properties — 3700 Kempt Road	20,000	1980's	A
Eastland Group Ltd. — 50 Akerley Boulevard	65,000	1983	B
Barrington Centre — 960 Barrington Street	22,000'	1982	A
Trianon Industrial Centre			
— 60 Thornhill Drive	32,000	1982	B
— 50 Thornhill Drive	32,500	1985	B
— 40 Thornhill Drive	32,300	1986	B
Sussex Leaseholds — Burnside Gardens			
— 100 Ilsley Avenue	76,000	1984	B
— 131 Ilsley Avenue	12,000	1984	B
— 133 Ilsley Avenue	76,000	1984	B
— 135 Ilsley Avenue	10,000	1984	B
Sackville Industrial Mall — Original	15,000	1984	C
— Proposed Addition	15,000	1987	C
Sackville Industrial Park			
— 21 Glendale Avenue	6,000	1973	C
— 22 Glendale Avenue	24,000	1985	C
Landmark Place — 51 Randall Street	65,000'	1985	B
Sussex Leaseholds			
— 202 Brownlow Drive — Cambridge Gardens	160,000	1986	B
Prospect Court — Halifax Industrial Park			
— Phase 1	36,000'	1986	A
— Phase 2	36,000'	1987	A
Ilsley Avenue — Lot C 106B	45,000'	1987	C
Vantage Point			
— Halifax Industrial Park — Building 1	36,800'	1987	A
— Building 2	6,000'	1987	A
— Building 3	30,600'	1987	A
Initial Place — 50 Raddall Avenue	20,000'	1987	B
Raddall Place— 31 Raddall Avenue	27,000'	1987	B
Browlow Centre	64,000'	1987	B

APPENDIX C (CONTINUED)
WHOLESALE/WAREHOUSE PROJECTS SURVEYED

Project	Approximate Size (Sq. Ft.)	Year of Completion	Area Code*
Transmetro Properties Limited			
— Multi-use complex in Aerotech Business Park			
—- Phase I	50,000[1]	1987	C
— Proposed	250,000	...	C
Park Place	41,000	1987	B

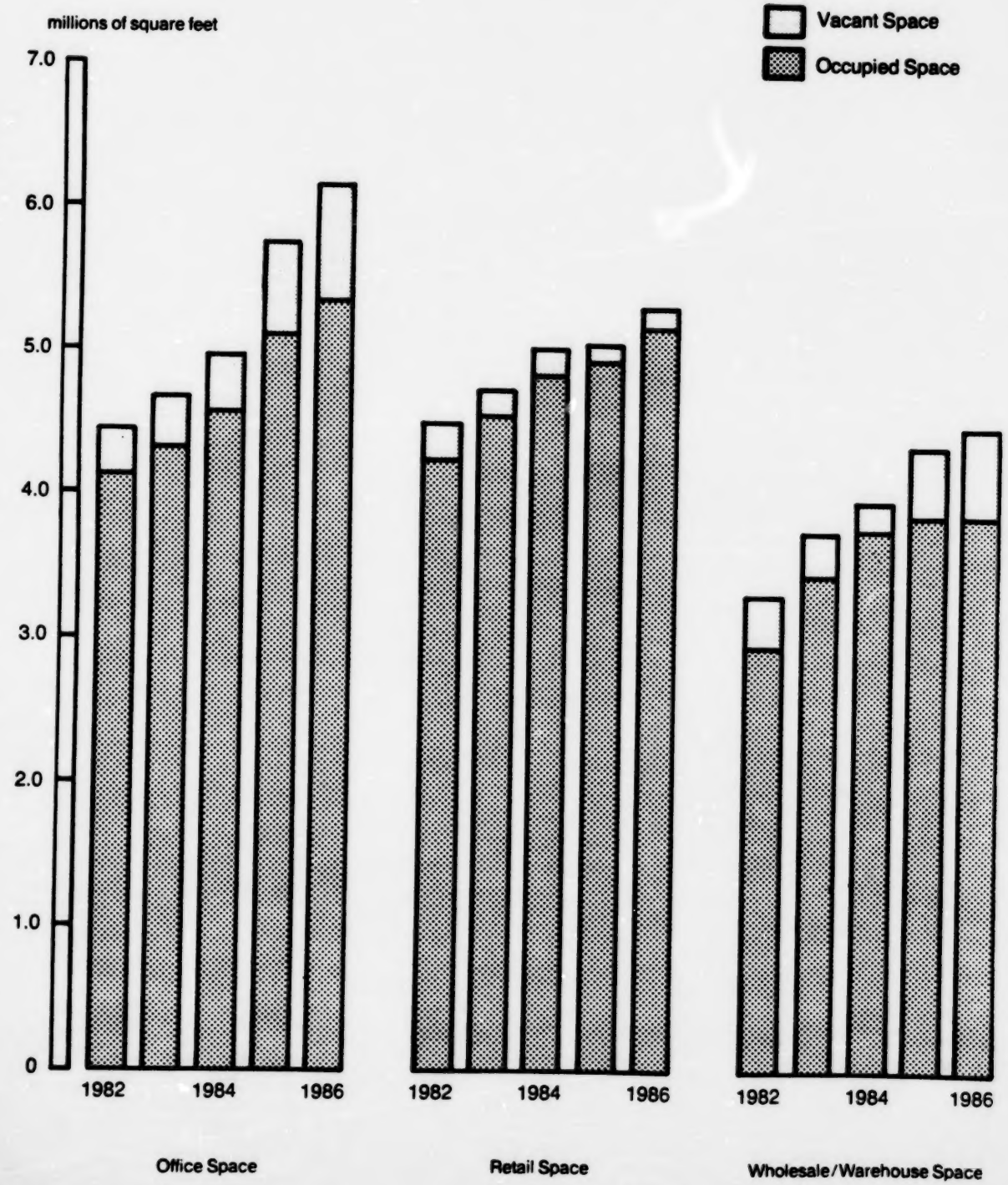
[1]Includes approximately 5 — 35% of office or retail space

[2]Includes car body shop accounting for 9,000 sq. ft.

... No completion date available. Still in preliminary stages of development.

*Geographic Codes — A — Halifax City
B — Dartmouth City
C — Bedford/Sackville Area and Other Halifax Metro Area.

Surveyed Office, Retail and Wholesale/Warehouse Space Showing Proportion Occupied and Vacant, Halifax Metropolitan Area 1982-1986



Location & Size of Wholesale/Warehouse Projects Surveyed — December 31, 1986